INTRODUCTION OF MINISTERS BY THE PRIME MINISTER

प्रधान मंत्री (श्री अटल बिहारी वाजपेयी) : माननीय सभापति महोदय्, सदन तथा आपके माध्यम से अपने नए सहयोगियों से, परिचय करने से पूर्व, मैं श्री लाल कृष्णा आडवाणी का उपप्रधानमंत्री के रूप में परिचय कराना चाहता हूं:—

श्री बालासाहेब विखे पाटील—भारी उद्योग और लोक उद्यम मंत्री।

श्री साहिब सिंह वर्मा— श्रम मंत्री।

श्री शत्रुघ्न सिन्हा — स्वास्थ्य और परिवार कल्याण मंत्री

श्री के. जना कृष्णमूर्ति — विधि और न्याय मंत्री

श्री एन. टी. षणमुगम (स्वतंत्र प्रभार) —उद्योग मंत्रालय में खाद्य प्रसंस्करण विभाग में राज्य मंत्री

श्री श्रीपाद यशो नायक — नागर विमानन मंत्रालय में राज्य मंत्री

श्री निखिल कुमार चौधरी — कृषि और ग्रामीण उद्योग मंत्रालय में राज्य मंत्री

श्री विनोद खन्ना — पर्यटन और संस्कृति मंत्रालय में राज्य मंत्री

श्री बासनगौडा आर. पाटिल — वस्त्र मंत्रालय में राज्य मंत्री

डा० संजय पासवान — संचार और सूचना प्रौद्योगिकी मंत्रालय में राज्य मंत्री

श्री ए० के० मूर्ति — रेल मंत्रालय में राज्य मंत्री

श्री सु० थिरु नावक्कुरसर — पोत परिवहन मंत्रालय में राज्य मंत्री

श्री अनन्त गंगाराम गीते — वित्त मंत्रालय में राज्य मंत्री

ORAL ANSWERS TO QUESTIONS

Impact of FDI on Economic growth

*21. SHRIMATI AMBIKA SONI : †

DR. T. SUB ARAMI REDDY:

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the flow of foreign direct investment into the country in the last two decades has resulted in a crowding out of domestic investment ;

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†Question was actually asked on the floor of the House by Shrimati Ambika Soni.

(b) if so, whether it has been found that there is no clear evidence of its contribution to economic growth;

(c) whether the study carried out by the Research and Information System for the Non-Aligned and other developing countries has observed the same;

(d) if so, the other issues highlighted in the report; and

(e) the steps taken by Government to improve domestic investment in the country?

THE MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH): (a) to (e) A statement is laid on the Table of the House.

Statement

(a) and (b) No, Sir. The share of Foreign Direct Investment (FDI) in Gross Domestic Investment in India increased from 0.12 per cent in 1990-91 to 2.13 per cent in 2000-2001at which rate no crowding out can occur. FDI has contributed to economic growth by supplementing domestic investment, providing technology upgradation, adding to improvement of managerial and technical skills and a widening of the marketing network .

(c) and (d) A study entitled "Foreign Direct Investment, Externalities and Economic Growth in Developing Countries" prepared by the Research and Information System (RIS) for the Non-Aligned & Other Developing Countries, on the basis of a sample of 107 developing countries, for the period of 1980—99, does indicate this. This, however, can not provide any conclusive results for India.

(e) Government has taken several steps to promote domestic and foreign investment, which amongst others, include liberalization of policies in trade, industry, infrastructure, financial sectors, rationalization and reduction of both direct and indirect taxes, reduction of interest rates, tax holidays for investment in infrastructure and backward areas, combined with sound-macro economic policies so as to stimulate economic growth with stability in prices and exchange rates.

SHIRIMATI AMBIKA SONI : Sir, I have gone through the statement given by the hon. Minister in response to this question. There is a general feeling in the country, or this is what most of the newspapers and economic magazines have been writing, that there is not enough public or private

investment taking place, especially, in vital sectors like agriculture and industry. Sir, how will employment, which is, probably the most burning issue in the country, increase, if no investment fructifies? I would also like to know what concrete steps, besides what the hon. Minister has mentioned in the written answer, the Government is taking to increase this investment coming into the country. I would also like the hon. Minister to combine with this answer the comparative study he has done in regard to China. What is the level of foreign direct investment taking place in the last few years in China? How does India compare *vis-a-vis* China and why is the foreign direct investment in India less, as compared to China?

SHRI JASWANT SINGH: Mr. Chairman, Sir, the question that was listed focussed on the broad policy of foreign direct investment. The hon. Member has, from there, gone on to the overall investment climate in the country, has enquired about employment and the sluggishness in employment, and thereafter, she has asked about the comparative analysis between India and the People's Republic of China on the question of foreign direct investment in various sectors. Sir, I can very easily take shelter under the fact that this really does not arise from the question that was put, but I won't. Don't worry; I will try to answer...

SHRIMATI AMBIKA SONI: I can explain that my supplementary arises directly from the question.

SHRI JASWANT SINGH : I will answer your query, because I do believe that these are reasonable enquiries. There is concern about all , these things; and whether the Question Hour is the best time to discuss this issue or not is not necessary here. I will endeavour to answer these queries. So far as the investment climate is concerned, the investment climate is really a combination of many factors, external as well as internal. Is it the ideal investment climate in the country? No, it is not. The Prime Minister, very recently, in two major interactions that he has had—one with trade and industry and the other with economists—had, in fact, focussed on this aspect of improving the investment climate. The hon. Member also said that investment in agriculture had been sluggish. That is correct. Sir. The investment in agriculture has not been to the level that it should be, particularly capital investment in agricultural sector. Indeed, one of the areas that the Prime Minister has highlighted, particularly and, has consistently emphasised, is the aspect of capital investment in agriculture. This needs to be improved. We are committed to doing it.

The other aspect the hon. Member wanted to know was about employment. It goes without saying, Sir, that investment is not simply for the sake of investment; employment must be generated. The Prime Minister's programme that he has announced, is about creation of jobs by a certain period; some of the infrastructure projects that the Prime Minister has launched, for example, the National Highway Development Project, have generated employment. But is it satisfactory? It can be improved upon, certainly, because I do not think there is any situation where one can claim that the employment condition is now perfectly satisfactory.

On the question of comparative foreign direct investment, in dollar terms, in the People's Republic of China and India, I do not want to go into a statistical analysis of it. But there is a fact that needs to be taken into account, that when it comes to the People's Republic of China, a very considerable amount of direct investment in the People's Republic of China is from the Chinese diaspora, and a great deal of the money that has flowed into China has actually come in either from Taiwan, Hong Kong, Singapore or other countries; it is really the overseas Chinese investing back into the country. We have not yet seen similar manifestation of investment, so far as India is concerned. But the Government is fully committed to improving the investment climate so that this facilitated to a greater extent.

SHRIMATI AMBIKA SONI: Sir, I would like to tell the hon. Minister, through you, that my question came directly out of the questions that I have put. The first part of my question was: Is there clear evidence that it has stunted our economic growth? If economic growth has been stunted, then, naturally, one of the parameters for judging economic growth or otherwise, is the generation of employment. This is how agriculture takes off; this is how industry moves forward. So, I do not think my question is that far removed. I am not an expert. I am a lay person. But this much I do feel that if economic growth has not been stunted, there should have been large sectors of employment generation.

My next question would be, that this Government had fixed a target of $ 10 billion that they would receive as foreign direct investment. Now, I would like to ask the hon. Minister, how much of this $ 10 billion target, the Government has achieved. Even after you have allowed hundred per cent direct investment in major sectors. I would like to know how far have you achieved? If you have not achieved it, what are the reasons for the shortfall? Is it that the foreign companies

are not finding the climate suitable, the infrastructure adequate and they are facing bureaucratic hassles? I would like to know this.

SHRI JASWANT SINGH: Sir, without going into what I call the procedural dialectics of questions in Parliament, I would like to say that it is an established fact, it is part of our rules, that during Question Hour, questions relating to broad policy are not asked. It has to be a specific one. That is one of the rules. However, I am not standing on that rule. In fact, that is one of the rules of Parliament. I pointed it out earlier to the Secretary-General. Anyway, I will attempt to answer the question.

Sir, on the question as to what we have achieved against ten-billion target, does it contribute to growth, does it contribute to employment, I would like to [illegible]hat against the ten-billion target in the year 2001-02, the inflow was just under four billion. In percentage terms, you can say, it is 40% of the target. Is it satisfactory? Of course, it is not satisfactory. I do believe that India can very easily absorb this ten billion dollars. What stands in the way of this ten billion dollar investment? I believe, Sir, our procedural systems really stand in the way of freer flow of investment in the country.

My good friend, the Minister of Disinvestment, once conducted a study [illegible] it was, found that anybody coming to the Finance Ministry for an approval o cross as many as 287 steps. This is the reality. The Government is committed se this burden on the investment.

Sir, the challenge that we have today is not so much of deregulation, as it is of debureaucratisation. If we are able to move purposefully and positively in that direction, I have no doubt in my mind that this target of ten billion will be achieved. Foreign direct investment really constitutes a package. It, of course, does contribute to employment. It also contributes to technology inputs and upgradation; it contributes to, possibly, improving managerial techniques, and it contributes to export promotion.

The synergy that is released in investment by foreign direct investment is not a theoretical one, but it is an empirically-established fact.

DR. T. SUBBARAMI REDDY: Mr. Chairman, Sir, I would like to know from the Hon. Minister, in categorical and clear terms, what steps he is going to take to improve the inflow of foreign investment. He is only replying to it theoretically.

Most importantly, his own colleague, the hon Commerce Minister, Shri Murasoli Maran said on 13th July, "According to me, we need to overcome the silly hassles. Many investments were cleared by the FIPB, but we forgot to give them service after that." Your own colleague accepts this fact. It is an established fact that China is getting 20 billion dollars, according to international financial institutions. We are getting only 4-5 billion. This is what they say. We all accept this. But the august House would like to know: (1) How do you plan to overcome the bureaucratic hassles? (2) What are the silly hassles that are mentioned by our Commerce Minister, that comes in the way of attracting foreign direct investment? We all know that foreign direct investment is going to help the industrial growth. We know that the country, in the last few years, has not received much of investment because of various problems.

Sir, the Minister has not given a proper reply to the hon. Member. What concrete steps do you plan to take in order to achieve this? Please don't merely say that there are some problems. Has the Government, has the hon. Finance Minister, contemplated on the steps they would like to take to solve this problem? I would also like the hon. Minister to clarify the statement given by the hon. Commerce Minister in *The Financial Express* in which he has mentioned these 'silly' hassles.

SHRI JASWANT SINGH: Sir, so far as the second part is concerned, what my distinguished colleague and friend, the Minister of Commerce, has said that obstacles for inflow stand in the way, I have myself pointed out that it is really procedural and that we need to attend to the procedure to untangle this web of bureaucratic over-governance. The hon. Member wanted to know what concrete steps I am going to take, I can very easily tell him—I am not avoiding any question—whether it is 287 steps or 237 steps or 200 steps. Sir, performing the responsibility that I have, if I can reduce that progressively to just three or four essential procedural requirements to be fulfilled would be good. That is the concrete steps that I am aiming at, and that is the direction in which we will attempt to move.

SHRI J. CHITHARANJAN: Sir, in the reply, a general statement has been made, because it only says that the FDI has contributed to economic growth by supplementing domestic investment, providing technology upgradation and adding to the improvement of managerial and technical skills. Thereafter, while dealing with the report submitted by the Foreign Direct Investment, Externalities and Economic Development in Developing Countries, again, these points have

been indicated. I would like to know from the hon. Minister whether the Government has conducted any independent study to understand the extent of foreign direct investment that has been made and how far it has helped economic growth. If this has been done, I would like to know to what extent the FDI has achieved this objective. In the same way, how far has it helped in technology upgradation. Let us have a detailed understanding of it. My suggestion is that the Government should appoint a Committee to study all these things in detail and submit a report.

SHRI JASWANT SINGH : Sir, as to the question whether the Government has studied the consequences of the benefits, etc., of Foreign Direct Investment, no formal study has yet been conducted. Why? Because of level of investment, that is, about four billion dollars annually. For the size of the economy, such as ours, and considering the percentage,—it is only 2.31 per cent of the total investment target, it was not considered necessary that we should have a formal study. If it had been a larger investment, we would have done it. Now, the hon. Member has said that we should see what consequences that it has had. Not as a formal study, but, certainly, within the Ministry, we will look into the queries that he has raised, because they might benefit us. I have no doubt about it. It is a suggestion for action, and we will act on it.

श्री संजय निरुपम : आदरणीय सभापति जी, सबसे पहले तो मैं नए वित्त मंत्री महोदय को पदभार ग्रहण करने के लिए बधाई देता हूं। सभापति जी, सचमुच ही उन्होंने मंत्रालय का पदभार ग्रहण करते ही पहले हफ्ते में जो घोषणाएं की हैं, उनसे कुछ उम्मीद बंधती है।

इसी सिलसिले में आज का यह जो प्रश्न है, इस प्रश्न के बहाने मैं उन्हें एक सुझाव देना चाहता हूं जिसे वह एक प्रश्न के रूप में समझ सकते हैं। सभापति जी, हमारे देश में फारेन डायरेक्ट इंवेस्टमेंट और ज्वांइट वेंचर्स के संबंध में निर्णय लेने का पूरा अधिकार फारेन इंवेस्टमेंट प्रमोशन बोर्ड के पास है, लेकिन वह इनके डिपार्टमेंट का हिस्सा नहीं है। वह कॉमर्स एंड इंडस्ट्री डिपार्टमेंट का एक हिस्सा है और एफ०आई०पी०बी० में जिस ढीले-ढाले ढंग से काम चल रहा है, उस हिसाब से आप कितने भी स्टेप्स ले लें, कितनी भी नीतियां बना लें, आप को बहुत सफलता मिलने वाली नहीं है। इसलिए एक तो मेरा सुझाव यह है कि क्या एफ० आई०पी०बी० को डायरेक्ट फाइनेंस मिनिस्ट्री का हिस्सा बनाया जा सकता है ?

दूसरा, क्या एफ०आई०पी०बी० को इस तरह का निर्देश दिया जा सकता है कि उनके पास कोई भी प्रपोजल आता है उस प्रपोजल को एक टारगेटेड टाइम में, एक निर्धारित अवधि में

वह क्लीयर करें ? क्योंकि पिछले जो अनुभव हैं, उन अनुभवों के हिसाब से मैं बताना चाहता हूं, चूंकि आपने कहा कि पाइंटेड क्वैश्चन ही पूछूं, सिर्फ एक उदाहरण देकर आपको यह याद दिलाना चाहता हूं कि टाटा एअरलाइन्स के साथ क्या हुआ। चार साल तक टाटा-सिंगापुर एअरलाइन्स प्रयास करता रहा, राजनीति या बिजनेस हाऊसेस की लॉबी के कारण चार साल के बाद उसको अपना प्रपोजल ड्राप करना पड़ा, वापस लेना पड़ा। जब टाटा-सिंगापुर एअरलाइन्स आ रहा था तो उस समय 1475 करोड़ रुपए का डायरेक्ट फारेन इन्वेस्टमेंट यहां आ रहा था। ऐसी स्थिति में मेरा आपसे आग्रह है और प्रश्न है कि क्या एफ.आई.पी.बी. के संदर्भ में कोई निर्णय लिया जाएगा कि वह आपकी मिनिस्टरी के तहत हो जाए और दूसरा कोई एक निर्धारित अवधि में सारे प्रपोजल क्लीयर करने का निर्देश दिया जाएगा ?

श्री जसवन्त सिंह : माननीय सभापति महोदय, माननीय सदस्य की सद्भावना और बधाई के लिए मैं माननीय सदस्य का आभारी हूं। उनके प्रश्न के दो पहलू हैं, एक तो फारेन इन्वेस्टमेंट प्रमोशन बोर्ड के बारे में, मैं उनको बताना चाहूंगा कि फॉरेन इन्वेस्टमेंट बोर्ड की आज की परिस्थिति की सांदर्भिकता पर सरकार पुनर्विचार कर रही है। आज बोर्ड क्या कोई रोल अदा कर पा रहा है या नहीं कर पा रहा है और यदि वह रोल अदा कर पा रहा है तो उस बोर्ड के लिए उचित स्थान, उस बोर्ड के लिए उचित अधिकार क्या होने चाहिएं, इन दोनों बातों पर पुनर्विचार हो रहा है।

सभापति महोदय, माननीय सदस्य ने एक मसले की ओर हमारा ध्यान दिलाया कि **संख्या :** किस प्रकार इन्वेस्टमेंट आते आते रुक जाता है। यह सही बात है, सरकार इसके प्रति सजग है। मैं माननीय प्रधानमंत्री जी के साथ एक बार वाशिंगटन में था, वहां जो भारतीय मूल के उद्यमी हैं और बहुत ही सफल उद्योगपति हैं, चाहे इंफोरमेशन टैक्नोलोजी में हों, फार्मास्युटिकल में हो, अन्य विभागों में हों, वहां एक बैठक में थे और उस बैठक में भाग लेने का मुझे सुअवसर मिला था। मैं सभी माननीय सदस्यों को यह बता देना चाहता हूं, कोई स्टेट सीक्रेट नहीं है, कि वहां भारतीय मूल के लोगों ने माननीय प्रधानमंत्री जी से यह कहा कि हमको ऐसा लगता है कि भारत से बाहर पैसा ले जाना कहीं सरल है बनिस्बत इसके कि भारत में पैसा लगाया जाए। यह अपने आपमें एक बड़ी विडंबना है और इसके बारे में हम सभी को गहराई से विचारना चाहिए। हमने जो कायदे-कानूनों का एक जाल सा बनाया हुआ है, इसके फलस्वरूप यह परिस्थिति उत्पन्न हुई है और इसको सुधारने के प्रति सरकार पूरी तरह से कटिबद्ध है।

श्री लालू प्रसाद : सभापति महोदय, माननीय मंत्री जी की भाषा को जहां पहले जिस मंत्रालय में थे वह लोग ही समझ सकते हैं, परदेशी समझ सकते हैं, हम लोगों की समझ से परे बात है। महोदय, इस देश की पूरी जनता और हम लोग भी अभी तक यह समझ नहीं पाए हैं कि

फॉरेन डायरेक्ट इन्वेस्टमेंट क्या है ? ..... (**व्यवधान**)..... तो मैं मंत्री जी से इसके बारे में जानना चाहूंगा कि यह क्या है ? हमारे पुरखे कहा करते थे कि शिकारी आएगा, **प्रश्न** दाना डालेगा, जाल बिछाएगा, लोभ से फसना मत। हम लोगों को प्रति दिन फॉरेन इन्वेस्टमेंट की बात सुनने में आती है, चाहे हवाई पट्टी से लेकर जहाज का हो, बिजली हो, सीड हो, बीज हो, खेती-बाड़ी हो, डिफेन्स प्रोडक्शन हो, फिश फार्मिंग हो। अब समुद्र के किनारे लाखों मछुआरे, इस देश के गरीब लोग, कंगले लोग, जो फिशिंग का काम करना चाहते थे, करते थे वहां किस की सलाह से विदेशियों को फिशिंग करने की इजाजत दे दी गई। क्या भारत सरकार अकेले सक्षम है ? भारत सरकार भी संविधान से बंधी हुई है और राज्य सरकारें और राबड़ी देवी भी इसी संविधान से बंधी हुई हैं। क्या किन्हीं को कांफिडेंस में लिया गया ? तीसरी बात, महोदय, डिफेंस प्रोडेक्शन का सवाल हमारे देश की सुरक्षा से जुड़ा हुआ एक सवाल है। परदेशी आकर डिफेंस में जब प्रवेश करेगा तो क्या हमारी गोपनीयता, हमारा भेद परदेसियों को नहीं लगेगा ? महोदय, 11 जुलाई के इक्नॉमिक टाइम्स, मुम्बई में सबसे गंभीर बात छपी है "World Bank calls it Azad Kashmir gives loan to Pakistan". मैं जानना चाहता हूं कि जम्मू-कश्मीर के मामले में हमारा स्वरूप क्या है ? वर्ल्ड बैंक ने जो लोन दिया है क्या आपका ध्यान उस तरफ गया है, जिसमें जम्मू-कश्मीर को आजाद कश्मीर के रूप में रखा गया है ? .....(**व्यवधान**)..... मैं पूछ रहा हूं कि इस देश की किन-किन चीजों को आप कब तक बेचेंगे ? क्या मुर्दाघाट अभी बचा रहेगा या इसको भी आप परदेशियों को देंगे ?

महोदय, प्रिंट मीडिया के बारे में मैं कहना चाहता हूं कि हमारी अखबारों में भी आपने विदेशियों को प्रवेश दिलाया है। गांधी जी, जवाहर लाल नेहरू जी, जिन्होंने देश की आजादी की लड़ाई में जन-जागरण के लिए अखबार शुरू किए, उन अखबारों को विदेशियों के हाथों में देने का अब कौन सा औचित्य है और इससे देश को क्या लाभ हुआ है ? देश के कल-कारखाने औने-पौने भाव पर बेचे जा रहे हैं। मैं नागपुर में गया था, वहां चैम्बर ऑफ कामर्श के लोग मुझे मिले। .....(**व्यवधान**)..... महोदय, मैं आपके माध्यम से माननीय मंत्री जी से जानना चाहता हूं कि देश में जो डायरैक्ट फॉरेन इन्वेस्टमेंट की आपने इजाजत दी है, क्या वह हमें इतिहास याद नहीं दिलाती है कि इस देश में बिजनेस के बहाने ईस्ट इंडिया कम्पनी और परदेशियों ने अपने पैर पसारे थे और क्या आप देश को उसी तरफ ले जाना चाहते हैं, यह देश जानना चाहता है ? इन्वेस्टमेंट की बात जो आपने कही, मैं कहना चाहता हूं कि एक ज्वांइट सैक्रेटरी बैठकर on behalf of all State Governments दस्तखत कर देता है और सारी बातें सरकारों पर लाद दी जाती हैं, इससे देश को क्या फायदा हुआ है ? हमारा निर्यात क्या कहीं बढ़ा है ? इस देश के पैसे परदेश में जा रहे हैं और जो आपने खुली छूट दी है, इसको बंद करने का सरकार क्या कोई इरादा रखती है या नहीं ?

श्री जसवंत सिंह : माननीय सभापति जी, सम्मानित सदस्य ने जो जो प्रश्न पूछे हैं, प्रयत्न करूंगा कि उन सभी का संक्षेप में उत्तर दे दूं।

पहले तो माननीय सदस्य ने यह सुझाया है कि इस सरकार ने फारेन डायरेक्ट इन्वेस्ट· ट शुरू किया है, यह तथ्य से परे है। फारेन डायरेक्ट इन्वेस्टमेंट भारत में एक नई प्रक्रिया के तौर पर शुरू हुआ सन् 1991 में, जब भारत के एक बहुत ही सफल और मेरे विचार में बहुत अच्छे वित्त मंत्री वित्त मंत्रालय का संचालन कर रहे थे, आज वे नेता प्रतिपक्ष हैं, आपके सहयोगी दल के नेता भी हैं। तो यह प्रक्रिया, जो सन् 1991 में शुरू हुई, हम उसी प्रक्रिया में चल रहे हैं।

आपने दूसरा सवाल पूछा कि हमने राज्यों के अधिकारों पर कुठाराघात किया है, यह संभव भी नहीं है, न हमारी कोई मंशा है और न ही हमने यह किया है।

आपने तीसरा प्रश्न पूछा छोटे मछुआरों के बारे में और कहा कि छोटे मछुआरों के हितों पर चोट लग रही है क्योंकि बड़ी-बड़ी फिशिंग कम्पनियों को यह अधिकार दे दिया गया है, इस बारे में मैं माननीय सदस्य को बताना चाहूंगा कि यह तथ्य से परे बात है। हमारे केन्द्रीय मंत्रिमंडल में ऐसे माननीय सदस्य हैं जिनकी रूचि छोटे मछुआरों के हितों से सीधी जुड़ी हुई है। मैं बतौर उदाहरण अगर आपको कहूं कि माननीय राम नाईक मेरे बहुत पुराने और अभिन्न मित्र हैं, वह हमको कभी इस तरफ कदम नहीं रखने देंगे। उनकी स्वयं की कांस्च्युएंसी और गुजरात में बहुत मछुआरे हैं और भारत में कभी इंडस्ट्रियल फिशिंग हुई नहीं है, यह संभव भी नहीं है।

क्योंकि करोड़ों की संख्या में छोटे मछुआरे कोस्टल फिशिंग पर निर्भर हैं। यह अपने आप में हमारी फिशिंग का एक अभिन्न अंग है और सरकार इसको हटाने के प्रति कोई विचार नहीं कर रही है। हमने राज्यों के अधिकार छीनकर यह किया हो ऐसा नहीं है यह मैं माननीय सदस्य को आश्वस्त करना चाहता हूं। अगर आपको कुछ ऐसे आंकड़े गिना दूं मसलन अभी तक परसंटेज जो कटौती हुई है फारेन डायरेक्ट इंस्वेस्टमेंट की, उसमें महाराष्ट्र सबसे आगे है करीब साढ़े सत्रह प्रतिशत। दिल्ली के बारह प्रतिशत, तमिलानाडु के आठ प्रतिशत, कर्नाटक के पौने आठ प्रतिशत, गुजरात के साढ़े छः प्रतिशत, आन्ध्र के करीब पाँच प्रतिशत, पश्चिम बंगाल के करीब चार प्रतिशत, और जो बाकी के राज्य हैं उनमें नगण्य सा इंवेस्टमेंट रहा है। अब रहा माननीय सदस्य द्वारा मेरी भाषा पर टिप्पणी करने का····· **(व्यवधान)** मैं किसी राज्य का नाम लेकर के नहीं कहूंगा। मेरा अपना····· **(व्यवधान)**।

श्री प्रेमचन्द गुप्ता : यह तो आपके समय में हुआ है।

श्री जसवंत सिंह : जहां तक प्रिंट मीडिया का सवाल है, माननीय सदस्य की इसमें जो

कठिनाई है, जो प्रश्नचिन्ह है, यह अभी सदन में आने वाला है। सरकार ने इसमें जो फैसला किया है अपने आप में जो पूर्व फैसला है उससे बिल्कुल हटकर के नहीं है, 26 प्रतिशत तक इंवेस्टमेंट हो सकता है। उस पर क्या-क्या सेफगार्डस है वह माननीय सदस्य जानते हैं। डायरेक्ट इंवेस्टमेंट रक्षा में नहीं है। यह आपकी भ्रांति है और इसलिए इन समूचे मसलों पर कई बार चर्चा हो चुकी है । मैं ज्यादा समय नहीं लेना चाहता। अब रहा मेरी भाषा पर माननीय सदस्य की टिप्पणी का सवाल, तो जैसी भाषा सिखाई है और गांव में पढ़ा हूं तो उसके मुताबिक मैं बोल पाता हूं। उस पर अगर आप टिप्पणी करें तो उसके बारे में तो मैं कुछ नहीं कहूंगा।

SHRI PRANAB MUKHERJEE: Mr. Chairman, Sir, the statement says that the present share of FDI is just 2.13 per cent of the total investment. In the last paragraph, the steps which will help in stepping up the rate of investment have been identified. In this connection, I would like to say that while replying to other supplementaries, the hon. Minister referred to the target of $ 10 billion FDI which was fixed, if I remember correctly, not by him but by Mr. Chidambaram, when he was the Minister of Finance. He had fixed this target of $ 10 billion FDI per year, but, till now, we have not achieved that. So, the point remains that to achieve the target of 8 per cent growth, which has been fixed for the Tenth Five-Year Plan, we require an investment, in terms of GDP, of the order of 32 per cent. I want to know wherefrom these investible resources will come. Unfortunately, over the years, in spite of the series of steps which have been taken, the rate of domestic savings which, at one point of time, had reached 25.6 per cent of GDP, has now come down to around 23-24 per cent that means, there is a big gap between the target fixed, that is, 32 per cent, and the present rate of domestic savings, that is, 23-24 per cent. How are you going to bridge this gap? How are you going to achieve the target? Will the target of 8 per cent remain an unfulfilled target, just like the target of $ 10 billion, in the case of FDI?

SHRI JASWANT SINGH : This is a significant question because it is a significant concern. The hon. Member has quite rightly put his finger on the difficulty which, as Finance Minister, I currently face. During the Tenth Plan period, we have set a target of eight per cent for ourselves. We are currently at 5.4 per cent of GDP growth, and, at this stage of 5.4 per cent GDP growth rate, I might share with the hon. Members that we are really amongst the ten fastest growing economics of the world. Is that a matter of satisfaction?

No; Sir; not entirely, because, I believe, India has a potential for growing much faster. There are some other views as to whether the total GDP of the country has really got accounted for, when we take these figures of the GDP into account. It is very difficult to compute the GDP of one billion human beings. But that is a different thing altogether. The hon. Member has quite rightly pointed out that to achieve a target of eight per cent growth, we require a saving ratio, which is then convertible to investment, of roughly 32 per cent. I have some difficulty in this. I am not an economist. I do not aspire to be an economist. Pranab Babu brings into his question all his experiences as the Deputy Chairman of the Planning Commission, as the Finance Minister, and as an economist. I suffer from all these deficiencies. But, nevertheless, as far as the aspect of achieving the target of 32 per cent is concerned, I admit that our current savings rate, which was earlier at about 26 per cent, has slipped to 22 or 23 per cent; it has slipped principally because the private savings, which is one of India's culturally strong points, has not really grown. It is largely because of the fact that public savings has not grown. By public savings, I mean, the savings that must accrue to the public sector undertakings and other enterprises of the Government have not matched. Sir, there is yet another factor of drag. I say this with a great deal of trepidation, because I do not wish to tread on the sensitive toes of Federal India. But the fact remains, that the state of finances of the States of the Union are a very great drag on the total GDP growth figures that we have. The finances of the States of the Union are a matter of, actually, far higher concern to me, at the moment, primarily because, after the award of the last Pay Commission, we gave a dollop of 40% additional cream to all the States. And, all the States of the Union are today suffering on that account. My very old and dear friend, the Finance Minister of West Bengal, Shri Ashim Das Gupta, himself admits that this is causing the State finances the greatest difficulty. Now, Sir, regarding the question that with the savings rate not going up, how are we going to achieve this investment, I would say that the savings rate particularly, the rate of public savings, can only go up if public sector undertakings are inspired by a much greater sense of efficiency and autonomous managerial functioning. If tax proposals.... (*Interruptions*)...

SHRI JIBON ROY : There are no public enterprises. They are ...(Interruptions)...

SHRI JASWANT SINGH : They are owned by the public. ... (*Interruptions*)...

SHRI DIPANKAR MUKHERJEE : All this has been disinvested. ... *(Interruptions)* ...

SHRI JASWANT SINGH : Sir, I do not want to engage in a dialectical slanging match on the subject. ...*(Interruptions)*... But, nevertheless. Sir, the fact remains, that unless the tax regime is so structured as to encourage greater savings from the small-scale sector, and unless we are able to move away from non-productive savings like gold, we will find it difficult to achieve the target of 32 per cent savings rate.

SHRI NILOTPAL BASU: Sir, I have two supplementaries. My first supplementary is regarding the comparison which the hon. Finance Minister was drawing, of our economy with the state of economy of the People's Republic of China. He said in his opening remarks that the Chinese economy is being powered by the investment of the Chinese Diaspore. At the same time, what we see is that the Chinese have a domestic savings rate of more than 40 per cent, and the FDI is actually not so high, as it is pointed out; it is only around 4 per cent. I would like to strengthen the supplementary that was put by the hon. Member, Shri Pranab Mukherjee, and would like to know one thing from the Finance Minister. What we are seeing over the last couple of years, particularly, is that there has been a great attack on small savings in this country. Unilaterally, the interest rate on small savings is being brought down, whereas, in respect of the money that is being provided at cheaper rates to the Indian and Foreign Corporates, there is no delivery in terms of investment. So, the private investment, the foreign investment, is going down. I would like to put one question, drawing on the experience from the Chinese economy, whether there will be incentivization on small savings so that we can have a growth in our domestic savings, particularly, of the small depositors.

Secondly, what is being asked is that, 67 per cent of our total FDI is through Mauritius. Now, some of us have reasons to believe that much of this foreign direct investment is actually the Indian money, which is being routed through the hawala, going to Mauritius and coming back, only to get tax exemptions which are available to foreign investors. I would like to know whether the Government will go in for a comprehensive inquiry to know how this huge amount of foreign direct investment is coming through the Mauritius route, is being misused. Even yesterday, a news-item appeared in a leading newspaper, stating therein that one of the companies to which the hon. Minister of

Disinvestment was giving a clean chit the Sterlite Company, it has taken away Rs. 34 crores, and just gifted it, to one of his relatives based in London. It is a big problem that how, through the hawala, route the money is going out to Mauritius and coming back, and this is actually denying legitimate revenue to the country, and giving a false sense of satisfaction to us that so much of FDI is coming to this country.

SHRI JASWANT SINGH : Sir, these are rather roving queries, from the People's Republic of China to Mauritius, and then to hawala. I will try to answer all the three questions. So far as a comparative analysis of the economy of India and that of the People's Republic of China is concerned, I can actually not claim the same expertise about the People's Republic of China and its economy, as the hon. Member can. I would only like to focus on the Indian economy, and to work for the betterment and improvement of the Indian economy.

Secondly, whereas I am ready to learn from anybody anywhere in the world, I find it difficult to accept any country, be it the People's Republic of China or the United States of America or any other country, as superior to India in entrepreneurship. I work on the basis that the Indian investor and entrepreneur has all the talent that is required to achieve all this, what the hon. Member has suggested is that the domestic savings rate in the People's Republic of China is much higher. I will stop here, Sir, before commenting on the economic statistics of the People's Republic of China, because, I cannot claim the same expertise as the hon. Member can, and if I were to say anything ... *(Interruptions)*.....

SHRI NILOTPAL BASU : Sir, I have quoted from the World Banks statistics. We all go by the World Bank statistics. If he is challenging the World Bank statistics, I have nothing to say. . . . *(Interruptions)* . . .

SHRI JIBON ROY : Mr. Minister, you take your time to know about China. You come to Mauritius. . . . . *(Interruptions)* . . .

SHRI JASWANT SINGH : Sir, I do not wish to get into a dialectical match about the savings rate of the People's Republic of China. I am committed to so improving the tax regime in India, and so improving the economic climate in India, that the domestic savings of India goes up. For example, if I were to cite the fact that India is the largest importer of gold, raw gold, in the world, I cannot claim it as any credit to India. I do say that this large import of gold by India is,

in fact, a consequence. There must be something wrong in our total management of the debt structure, that people would like to import gold even at a great cost to themselves. We have to address ourselves to these aspects of the issue.

So far as the second part of the supplementary of the hon Member is concerned, I, again, have some difficulty about commenting on the internal legislations and regulations of a friendly country like Mauritius. I cannot comment..... (*Interriiptions*) . . .

SHRI NILOTPAL BASU : Sir, you have to protect us.

SHRI JASWANT SINGH: Sir, I may be permitted to answer the question. *(interruptions)* . . .

MR. CHAIRMAN : Let him complete.

SHRI JASWANT SINGH : I stand by what I have said. It is not proper for me to comment about the internal legislation of a friendly, neighbouring country.

Secondly, whatever financial, economic, arrangements we have with Mauritius, they are part of a treaty obligation. That treaty obligation is not of today's making. The treaty with mauritius was executed by...(*Interruptions*) . . .

SHRI JIBON ROY : These figures are fake figures. . . *(Interruptions)* . . .

SHRI NILOTPAL BASU : The Mauritius Government itself has offered to the Government that they are prepared to discuss the Indian concerns on the misuse of the Mauritius treaty.

SHRI JASWANT SINGH : What the Government of Mauritius has said, what the Deputy Prime Minister has discussed with me in this regard, I am not free, unfortunately, to share. They are part of an official conversation; but I cannot share them. I can assure hon. Members that where any aspect of illegality is concerned, the Government is fully awake to this and will certainly address that aspect very carefully..... (*Interruptions*) . . .

MR. CHAIRMAN: We have spent 50 minutes on this question. Next question. Shri Kailash Joshi. . . . (*Interruptions*). . . You can have a discussion on that.

श्री लालू प्रसाद : सर, यह बहुत सीरियस मामला है। इस विषय पर एक घंटे का डिसकशन रखिए। देश को गिरवी रखा जा रहा है और देश को गिरवी रखकर गांधी जी के

रास्ते को . . .

श्री सभापति : आप डिसकशन के लिए नोटिस दे दीजिए।

श्री लालू प्रसाद : महोदय, हम नोटिस दे देंगे, इसकी जांच होनी चाहिए।

श्री सुरेश पचौरी : सभापति महोदय, माननीय लालू प्रसाद जी एक घंटे के लिए कह रहे हैं, इसलिए इस पर थोड़ी विशेष अनुकम्पा की आवश्यकता है।

Upgradation of Bhopal and Raipur Airports

*22. SHRI KAILASH JOSHI : Will the Minister of CIVIL AVIATION be pleased to state :

(a) whether Government propose to upgrade Bhopal and Raipur Airports;

(b) if so, the details thereof; and

(c) whether any amount has been earmarked for the purpose; and if not, the reasons therefore?

THE MINISTER OF CIVIL AVIATION (SHRI SYED SHAHNAWAZ HUSSAIN) : (a) to (c) A Statement is laid on the Table of the Sabha.

Statement

There is a proposal to extend the runways of Bhopal and Raipur Airports to 7500 feet to make them suitable for operation of AB-320 class of aircraft. The respective State Governments have been informed that this can be done only if they acquire necessary land and hand over the same to Airports Authority of India (AAI). The State Government of Chhattisgarh, however, wants the runway of Raipur Airport to be extended upto 10,500 feet. The land requirement for this has been projected to the State Government.

श्री कैलाश जोशी : सभापति महोदय, माननीय मंत्री जी ने अपने उत्तर में यह बताया है कि भोपाल और रायपुर दोनों विमान तलों के रनवे को 7500 फुट तक बढ़ाने का प्रस्ताव है। मैं मंत्री जी से यह आग्रह करना चाहता हूं कि चूंकि भोपाल लगभग 1800 फुट समुद्र तल से ऊंचाई पर है और भोपाल में भी और रायपुर में भी, दोनों जगह 45 अंश सेल्सियस तक तापमान बढ़ जाता है, इसलिए दोनों विमान तलों पर अपेक्षाकृत बड़े रनवे की आवश्यकता है। इसे ध्यान में रखते हुए क्या मंत्री जी इनकी चौड़ाई 9500 फुट करने के बारे में विचार करेंगे ?

1714 GIPMR/2003—2